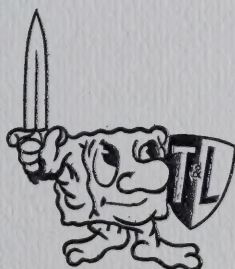


# **TATE & LYLE**

## Directors' Report and Accounts



1967





# **TATE & LYLE, LIMITED**

## **DIRECTORS' REPORT AND ACCOUNTS**

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## **FINANCIAL CALENDAR**

ANNUAL GENERAL MEETING will be held on 20th March, 1968

PRESIDENT'S STATEMENT will be published in the Press on 21st March, 1968

### **INTEREST and DIVIDEND PAYMENTS**

4½% Irredeemable Debenture Stock	1st January and 1st July
4¾% Debenture Stock 1968/78	1st June and 1st December
5½% Debenture Stock 1980/85	1st June and 1st December
7¼% Debenture Stock 1989/94 (issued October, 1967)	31st March and 30th September
6¾% Unsecured Loan Stock 1985/90	30th June and 31st December
6½% Cumulative Preference Stock	31st March and 30th September
Ordinary Stock	
First Interim Dividend	on or about 2nd April
Second Interim Dividend	on or about 31st January
Final Dividend	on or about 2nd April

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### **FINANCE ACT 1965**

The market value on 6th April, 1965 of Tate & Lyle stocks for the purposes of the long term capital gains tax were :—

Ordinary Stock	31s. 3d.
6½% Cumulative Preference Stock	18s. 0d.
4½% Irredeemable Debenture Stock	64½
4¾% Debenture Stock 1968/78	81½
5½% Debenture Stock 1980/85	85½

The 6¾% Unsecured Loan Stock, 1985/90 and the 7¼% Debenture Stock 1989/94 were both created after 6th April, 1965.

The Company is not a close company within the meaning of the Finance Act, 1965.



## **NOTICE OF MEETING**

Notice is hereby given that the SIXTY-FIFTH ANNUAL GENERAL MEETING of Tate & Lyle, Limited will be held at the EUROPA HOTEL, DUKE STREET, GROSVENOR SQUARE, LONDON, W.1. on Wednesday, the twentieth day of March, 1968 at eleven thirty o'clock in the forenoon for the following purposes:

1. To receive the Company's Accounts for the year ended 30th September, 1967, together with the Reports of the Directors and Auditors thereon.
2. To confirm and declare dividends.
3. To elect Directors.
4. To confirm the re-appointment of Auditors.

Any member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member.

By Order of the Board,

T. MARSHALL,

N. W. CULLEN,

*Secretaries*

21, MINCING LANE,  
LONDON, E.C.3

*24th February, 1968*

In compliance with the General Undertaking which the Company has given to The Stock Exchange, London, there will be available for inspection at the Registered Office of the Company, 21, Mincing Lane, London, E.C.3, during usual business hours on any weekday (Saturdays and public holidays excluded) from the date of this Notice until the date of the Meeting, a statement for the period of twelve months to 31st January, 1968 of all transactions of each Director and, so far as he can reasonably ascertain, of his family interests in the Ordinary Stock of the Company and any of its subsidiary companies.

This statement will also be available for inspection at the Europa Hotel on 20th March, 1968 from 11.00 a.m. until the conclusion of the Meeting.

Contracts of service between the Company and its Directors are determinable, without payment of compensation, within one year.

**BOARD OF DIRECTORS**

PRESIDENT.....	Sir Ian D. Lyle
CHAIRMAN.....	John O. Lyle
VICE-CHAIRMEN.....	Sir Peter Runge F. H. Tate J. O. Whitmee
	Lord Lyle of Westbourne M. D. Oliphant W. R. Booth J. F. P. Tate Colin Lyle A. S. Wingate-Saul Saxon Tate Colin Rowan K. B. Brown (retired 30th September, 1967) J. E. Hobbs J. A. C. Hugill Gordon L. Shemilt The Earl of Perth Viscount Boyd of Merton

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SECRETARIES.....	T. Marshall, F.C.A. N. W. Cullen, F.C.I.S.
ASSISTANT SECRETARY.....	A. M. Currie, F.C.I.S.
REGISTRAR.....	T. Mapley
REGISTERED OFFICE.....	21, Mincing Lane, London, E.C.3
SOLICITORS.....	Monro Pennefather & Co.
AUDITORS.....	Edmund D. White & Sons <i>Chartered Accountants</i>



# **TATE & LYLE, LIMITED**

## **REPORT OF THE DIRECTORS**

Your Directors have pleasure in presenting their Annual Report and the Group Profit and Loss Account for the year ended 30th September, 1967, together with the Company's Balance Sheet and Group Balance Sheet as at that date. This Report deals with the financial aspects of the Group. More general matters will be dealt with as usual in the statement to be made at the Annual General Meeting.

Although the new requirements relating to accounts contained in the Companies Act, 1967, are not mandatory with respect to the accounts now presented, such requirements have largely been complied with, including comparative figures wherever possible.

The principal activities of the Group during the year again consisted of the growing of sugar cane and production of raw sugar; the manufacture, sale and distribution of refined sugar; trading in molasses; the shipping and lighterage of sugar; the manufacture of sugar machinery and the provision of technical consultancy services.

### **SUBSIDIARY INTERESTS**

Features of subsidiary companies' activities during the year to be noted are:—

#### **United Kingdom**

The accounts reflect payments made during the year in connection with three replacement tankers of about 17,250 deadweight tons each, ordered from Uddevallvarvet Aktiebolag, Uddevalla, Sweden, for Athel Line Limited, a subsidiary of The United Molasses Company Limited. The first of these was launched in October, 1967.

The first of two replacement bulk sugar ships of 20,700 deadweight tons each ordered from Lithgows Limited, Glasgow, for Sugar Line Limited was launched shortly before the end of the financial year.

Certain of the older ships were sold during the year as circumstances allowed.

In November, 1966, A. & W. Smith & Company Limited acquired from The Mirrlees Watson Company Limited that part of its undertaking which consisted of the manufacture of sugar machinery.

#### **Bermuda**

Albion Company Limited was incorporated in Bermuda during the year to carry on the business of brokers and dealers in sugar buying from various origins and selling mainly to Canada, and holding and dealing in securities and other assets. The issued capital of the Company apart from that held by Bermudan residents is held by Dominion Sugar Company Limited, a wholly-owned subsidiary of Canada and Dominion Sugar Company Limited, and Eastern Sugar Trading Corporation.

#### **British Honduras**

The expansion programme of Belize Sugar Industries Limited designed for the production of 70,000 tons of sugar per annum was completed during the year. The total cost of the development was approximately £8,000,000, initially financed by loans from the Parent Company. In August, 1967, a sum of £3,599,169 from the loan account was converted into fully-paid Ordinary Shares to bring the issued capital of the subsidiary more into line with the assets employed in the business. Since the end of the year arrangements have been made for a re-financing loan to the subsidiary of £2,000,000, repayments to commence in five years time and then by equal annual instalments over the ten following years.

#### **Canada**

Negotiations which had taken place throughout the year by Canada and Dominion Sugar Company Limited for the purchase of the entire share capital of The Daymond Company Limited, manufacturers of plastic and aluminium extrusions, mouldings and fabrications for the construction and building supply industries in Canada, were successfully completed although not until after the end of the financial year. Daymond operates three major plants, two in Chatham, Ontario, and one in Toronto, and also an assembly plant in Vancouver.



## **Rhodesia**

As a result of arrangements made within the Rhodesian Sugar Industry by the local Board of Rhodesia Sugar Refineries Limited, the Company was able to resume trading on a basis which, as from 1st May, 1967, produced a modest profit. £17,667 has been brought into the Group Profit and Loss Account, but the dividend of 2½ per cent. which the local board declared in respect of the year to 30th September, 1967, cannot be remitted to the United Kingdom in present circumstances.

Chirundu Sugar Estates, the closure of which was referred to in last year's report, has not yet been wound up, due to the problem of dealing in the present political situation with liabilities guaranteed by the Parent Company. The matter is still being examined, but in the meantime the Parent Company's various subsidiary interests have been revalued and the Capital Reserve thereby created has been used to write-off the investment in Chirundu Sugar Estates and make provision for the additional liabilities arising under the guarantees.

## **United States of America**

Forward Clearing Corporation was incorporated in the State of New York in 1964. It became a Subsidiary Company in November, 1966, when its authorised capital was increased from U.S.\$20,000 to U.S.\$500,000. The issued capital is now held between Canada and Dominion Sugar Company Limited, Eastern Sugar Trading Corporation, Pacific Molasses Company, and Farr Whitlock Dixon & Company who have operated on the New York Sugar Exchange on behalf of the group for many years. The purpose of expanding Forward Clearing Corporation was to facilitate trading on the New York Sugar Exchange.

## **Zambia**

The negotiations referred to in last year's report for the raising of £3,000,000, being part of the finance required for the development of raw sugar production in Zambia, were completed during the year. £3,000,000 in Zambian currency, in the form of 8½ per cent. Convertible Unsecured Loan Stock 1982/86, underwritten and guaranteed by the Parent Company, was issued privately through J. Henry Schroder Wagg & Co. Limited. As a result of underwriting the issue your Company took up £1,447,500 of the Stock.

The development of the raw sugar estate has proceeded well. 5,000 acres are under cane and the factory is in course of erection. The harvesting of the first crop is expected to commence in May, 1968.

## **LOAN CAPITAL**

Following negotiations during the latter part of the financial year the Company placed through J. Henry Schroder Wagg & Co. Limited early in October, 1967, an issue of £4,000,000 7¼ per cent. Debenture Stock 1989/94 at a price of £97¾ per cent. The proceeds of the issue have been applied in repaying short-term borrowings.

## **INVESTMENTS**

In May, 1967, your Company, in conjunction with Raffinerie Tirlemontoise of Belgium, F. Beghin S.A. of France and Eridania Zuccherifici Nazionali S.p.A. of Italy formed a consortium to acquire a controlling interest in Société des Raffineries et Sucreries Say who operate refineries in Paris, Bordeaux, Nantes and Sermaize and a number of beet factories throughout France. The consortium acquired 50.03 per cent. of the issued capital of Say, holding these shares in a newly formed company, Compagnie Européenne d'Industrie Sucrière S.A. (C.E.I.S.). Your Company and Raffinerie Tirlemontoise formed a new Company, European Sugars (France) which holds 51 per cent. of the capital of C.E.I.S., the remainder being held as to 33.4 per cent. by F. Beghin S.A. and as to 15.6 per cent. by Eridania.

The share capital of European Sugars (France) is held as to 43.3 per cent. by the Tate & Lyle group and as to 56.7 per cent. by Raffinerie Tirlemontoise. Your Company holds, therefore, an indirect interest in the capital of Say of about 11 per cent. at a cost of about £3,000,000.

This purchase was financed by means of an external unsecured loan of U.S.\$8,500,000, arranged through J. Henry Schroder Wagg & Co. Limited, and repayable in June, 1972.

Agreement has been reached with Raffinerie Tirlemontoise to the effect that the Tate & Lyle group has the option, in the event of the U.K. entering the Common Market, to acquire at cost from them such number of shares in European Sugars (France) as would increase the Tate & Lyle group holding in that Company to a majority holding. The French Government will only allow control to be with a company based in the Common Market.



## FIXED ASSETS

Additions to Fixed Assets during the year net of disposals but including amounts charged to assets under construction, totalled £9,773,843, the significant changes being as follows:

	£'000s	£'000s
Raw Sugar Production		
West Indies .....	725	
British Honduras .....	883	
Zambia .....	3,644	
		5,252
Manufacture and Distribution of Refined Sugar		
United Kingdom .....	1,484	
Canada .....	254	
Africa .....	275	
		2,013
Molasses Storage and Distribution .....		546
Shipping .....		1,773
Miscellaneous .....		190
		<u>£9,774</u>

Cumulative depreciation increased by £4,509,967 giving a net increase in Fixed Assets of £5,263,876 as shown in the Statement on page 17.

## GROUP PROFIT

The group profit for the year, before taxation totalled £9,508,436 compared with £7,396,714 in 1966. The following statement shows the contributions to group profit of the various trading activities together with an analysis of the total turnover.

	Profit before Tax		Turnover	
	1967 £	1966 £	1967 £'000s	1966 £'000s
Production of Raw Sugar				
West Indies and British Honduras .....	(687,696)	(150,518)	17,104	17,713
Refining and Distribution				
United Kingdom .....	5,674,423	3,550,558	115,814	114,367
Canada .....	2,281,920	2,312,342	15,628	15,541
Africa .....	346,821	331,120	5,887	5,023
Molasses Trading, Storage and Distribution .....	2,556,184	2,280,340	27,827	21,009
Shipping .....	1,761,645	1,034,036	6,650	6,136
Engineering and Miscellaneous .....	304,452	310,511	4,922	4,191
	<u>£12,237,749</u>	<u>£9,668,389</u>		

*Deduct:*

Holding Company's Charges

Finance .....	2,080,695	1,864,501		
Administration .....	648,618	407,174		
	<u>2,729,313</u>	<u>2,271,675</u>		
	<u>£9,508,436</u>	<u>£7,396,714</u>		

Total Turnover .....	<u>£193,832</u>	<u>£183,980</u>
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Aggregate value of goods exported from the United Kingdom .....	<u>£15,230</u>	<u>£12,461</u>
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Total turnover represents the amount receivable by the group in the ordinary course of business for goods sold and services provided. Inter-group sales of materials are included where further processing is necessary.

## TAXATION

The total charge for taxation in 1967 was £4,006,444 compared with £3,235,929 last year.

In estimating the charge for United Kingdom Corporation Tax on the profits of the year, account has been taken of the proposed increase in the rate from 40 per cent. to 42½ per cent. from 1st April, 1967. The tax losses of certain U.K. subsidiary companies have been set off against the taxable profits of other companies under the provisions for Group Relief in the Finance Act, 1967.

A sum of £110,102 has been charged as the present liability of the Company, under Section 83 of the Finance Act, 1965, for tax on excess dividends paid in 1965/66. This liability may be reduced when it can be determined after April, 1969, whether any relief is available to the Company under Section 85 of that Act in respect of the "three year surplus".

Included in the credit of £413,039 in 1967 for adjustments of taxation in respect of previous periods is the sum of £285,000 representing provisions made in earlier years for possible liability to tax on undistributed profits of certain overseas subsidiary companies and now considered to be no longer required.

## NET PROFIT AND DIVIDENDS

The net profit after providing for taxation was £5,501,992 and after deducting the amount of £550,885 attributable to Minority Interests there remained a total of £4,951,107 available within the group. The accounts of subsidiary companies dealt with a net deficit of £246,814 being the losses of certain subsidiaries less the retained profits of others, so that the total available to the Parent Company was £5,197,921 which together with the sum of £33,313 brought forward from 1966, gives a total of £5,231,234 dealt with as follows:

	£	£
Allocated to General Reserve .....		1,350,000
Dividends paid and proposed, less Income Tax:		
On the 6½ per cent. Cumulative Preference Stock:		
Half-year to 31st March, 1967 .....	45,710	
Half-year to 30th September, 1967 .....	45,710	
On the Ordinary Stock:		
Dividends on account of the year ended 30th September, 1967:		
First Interim of 2 per cent. ....	431,004	
Second Interim of 6 per cent. ....	1,293,013	
Final of 2 per cent. now recommended by the Directors and payable on or about 3rd April, 1968 .....	431,004	
	<u>2,246,441</u>	
Income Tax deducted and payable to the Inland Revenue .....	1,577,289	
		3,823,730
Balance carried forward to the next account .....		57,504
		<u>£5,231,234</u>

The amount of net profit distributed to members, compared with that retained in the Group is:

	£	£	%
To Outside Shareholders of Subsidiary Companies .....	359,943		
To Stockholders of Tate & Lyle, Limited .....	<u>2,246,441</u>		
		2,606,384	47
Income Tax payable on dividends .....		1,577,289	29
Profit retained:			
In the accounts of Subsidiary Companies:			
Share of Minority Interests .....	190,942		
Parent Company's Share .....	(246,814)		
In the accounts of Tate & Lyle, Limited .....	<u>1,374,191</u>		
	<u>1,127,377</u>		
		1,318,319	24
		<u>£5,501,992</u>	<u>100</u>

## CONTRIBUTIONS FOR POLITICAL AND CHARITABLE PURPOSES

	1967 £
Political Purposes	
British United Industrialists .....	6,250
Economic League .....	1,283
Conservative Industrial Fund .....	1,000
Cities of London and Westminster Conservative Association .....	63
Common Cause Limited .....	100
	<u>£8,696</u>
Charitable Purposes .....	<u>£68,309</u>



## EMOLUMENTS OF DIRECTORS

	1967 £	1966 £
Pursuant to Companies Act, 1948, Section 196		
Fees .....	9,500	9,712
Fixed Remuneration and sundry benefits .....	85,847	92,758
Remuneration geared to profits .....	131,106	110,249
Pension Fund Contributions .....	50,538	22,841
	<hr/> £276,991	<hr/> £235,560
Pensions in respect of past Directors .....	<hr/> £9,191	<hr/> £12,593

### 1967

Pursuant to Companies Act, 1967, Sections 6 and 7

Chairman .....	£18,936
Other Directors,	Number
Up to £2,500 .....	3
£2,501 to £5,000 .....	—
£5,001 to £7,500 .....	1
£7,501 to £10,000 .....	1
£10,001 to £12,500 .....	2
£12,501 to £15,000 .....	9
£15,001 to £17,500 .....	—
£17,501 to £20,000 .....	1

One Director has waived his rights to receive emoluments of an aggregate amount of £6,000

## SALARIES, WAGES AND NUMBER OF EMPLOYEES

Pursuant to Companies Act, 1967,

### Section 8

There were no employees of the Company whose emoluments exceeded £10,000

### Section 18

(i) Average number of persons employed by the Group in the United Kingdom .....	11,050
(ii) Aggregate remuneration paid or payable in respect of the year to the number of employees stated above .....	£13,164,062

## BOARD OF DIRECTORS

The names of the persons who were Directors of the Company at any time during the financial year are listed on Page 4.

Mr. K. B. Brown retired from the Board on 30th September, 1967.

The Directors retiring under Article No. 103 are Sir Ian Lyle, Mr. F. H. Tate, Lord Lyle of Westbourne, Mr. J. E. Hobbs, Mr. J. A. C. Hugill and Mr. G. L. Shemilt. Being eligible they offer themselves for re-election.

The particulars of Directors' shareholdings, as required by the Companies Act, 1967, are contained in the appendix to this report.

## AUDITORS

The Auditors, Messrs. Edmund D. White & Sons, having expressed their willingness to continue to act, will be re-appointed under the provisions of Section 159 of the Companies Act, 1948.

JOHN O. LYLE

*Chairman*

# APPENDIX TO THE REPORT OF THE DIRECTORS

## DIRECTORS' SHAREHOLDINGS at 27th October, 1967

	Tate & Lyle, Limited		Canada and Dominion Sugar Company Limited	Caroni Limited	The West Indies Sugar Company Limited	Sundry Holdings
	Ordinary Stock £	6½% Preference Stock £	Shares of No Par Value	Ordinary Stock Units of 2/- each	Ordinary Shares of £1 each	
Sir Ian D. Lyle	119,778 <i>286,593</i>	<i>1,040</i>	616 <i>140</i>		<i>21,696</i>	
John O. Lyle	6,344 <i>80,365</i>	<i>16,719</i>	<i>80</i>			
Sir Peter Runge	39,099 <i>435,949</i>	<i>1,040</i>	<i>31</i>	900		
F. H. Tate	73,500 <i>26,500</i>		1,000	12,500		
J. O. Whitmee	3,218		954			£200 Tate & Lyle, Limited 5½% Debenture Stock
Lord Lyle of Westbourne	59,000 <i>2,008</i>	2,600 <i>4,153</i>		7,500		£1,475 } Caroni Limited £333 } 6% Preference Stock
M. D. Oliphant	16,941 <i>1,400</i>		1			
W. R. Booth	3,556 <i>24,000</i>	<i>2,000</i>				400 Rhodesia Sugar Refineries Limited Ordinary Shares of 5s. each
J. F. P. Tate	106,114			45,000		
Colin Lyle	161,843 <i>15,204</i>		300 <i>80</i>		13,762	
A. S. Wingate-Saul	4,393					
Saxon Tate	38,070		1,500			
Colin Rowan	6,200 <i>961</i>			5,875	500	
J. E. Hobbs	1,641				450	
J. A. C. Hugill	140				213	
Gordon L. Shemilt	535		103			
The Earl of Perth	1,200					£1,800 Tate & Lyle, Limited 6¾% Convertible Loan Stock
Viscount Boyd of Merton	100					£1,000 Tate & Lyle, Limited 4¾% Debenture Stock

As Trustees of the Company's Staff Pension Funds the undermentioned Directors are also each deemed to be interested in the following holdings:—

M. D. Oliphant W. R. Booth Colin Lyle J. E. Hobbs	Tate & Lyle, Limited		
	Ordinary Stock	5½% Debenture Stock	6¾% Convertible Loan Stock
	£57,800	£26,000	£17,050

- Note:** (i) Figures in italics are holdings in which a Director is interested as Trustee.  
(ii) The requirement of the Companies Act, 1967, that Directors who have a joint interest shall be deemed each to have that interest, results in certain holdings above being duplicated.



**REPORT OF THE AUDITORS  
TO THE MEMBERS OF TATE & LYLE, LIMITED**

In our opinion the annexed Balance Sheet together with the Notes, complies with the Companies Act, 1948, and gives a true and fair view of the state of the Company's affairs at 30th September, 1967.

We have examined the Group Accounts of the Company and its subsidiaries. The accounts of some subsidiaries have been made up for periods other than the year ended 30th September, 1967, and certain accounts have been audited by other firms. Subject thereto, in our opinion the annexed Group Balance Sheet and Group Profit and Loss Account, together with the Notes, and the statement of Emoluments of Directors on page 9 of the Report of the Directors, comply with the Companies Act, 1948, and give respectively a true and fair view of the state of the Group's affairs at 30th September, 1967, and of the profit for the year ended on that date, so far as concerns members of the Company.

EDMUND D. WHITE & SONS,  
*Chartered Accountants*

LONDON

*14th February, 1968*

14,305,179

10,443,641

# TATE & LYLE, LIMITED

## AND SUBSIDIARY COMPANIES

### GROUP PROFIT AND LOSS ACCOUNT

for the year ended 30th September, 1967

	1967		1966	
	£	£	£	£
<b>Trading Profit</b> .....		12,192,827		10,644,091
<i>Add:</i>				
Claims under West Indies Sugar Industry Rehabilitation Funds .....	186,159		—	
Investment Revenue .....				
Quoted Investments .....	57,887		40,334	
Unquoted Investments .....	104,410		111,354	
Profit on Redemption of Debentures .....	22,621		12,619	
Profit on Sale of Investments .....	20,893		6,881	
		391,970		171,188
<i>Deduct:</i>		12,584,797		10,815,279
Interest on:				
Debenture and Unsecured Loan Stocks .....	1,328,202		1,324,115	
Fixed loans repayable within five years .....	415,254		100,295	
Bank loans, overdrafts and other loans .....	1,862,255		1,871,459	
		3,605,711		3,295,869
Capital Increase and Incorporation Expenses .....	33,728		2,501	
Loss on Disposal of Fixed Assets .....	115,150		120,195	
		3,754,589		3,418,565
		8,830,208		7,396,714
<i>Add:</i>				
Transfer from Investment Grants Equalisation Account .....				
1966 .....	244,752			
1967 .....	433,476			
		678,228		—
<b>Profit before providing for Taxation</b> .....		9,508,436		7,396,714
<i>Deduct:</i>				
Charge for Taxation .....		4,006,444		3,235,929
<b>Net Profit after providing for Taxation</b> .....		5,501,992		4,160,785
<i>Deduct:</i>				
Share of Minority Interests:				
Dividends Paid or Payable .....	359,943		308,917	
Retained in the Accounts of Subsidiaries .....	190,942		169,960	
		550,885		478,877
<b>Profit of the year attributable to Tate &amp; Lyle, Limited</b> .....		4,951,107		3,681,908
<i>Deduct:</i>				
Amount dealt with in the accounts of Subsidiary Companies:				
Debenture Stock Sinking Fund .....	36,660		35,203	
General Reserve .....	60,000		—	
Losses less unappropriated profits .....	(343,474)		2,003	
		(246,814)		37,206
<b>Profit of the year dealt with in the Accounts of Tate &amp; Lyle, Limited</b> .....		5,197,921		3,644,702
<i>Add:</i>				
Balance brought forward from previous Account .....		33,313		44,434
		5,231,234		3,689,136
<i>Transferred to Capital Reserve</i> .....			11,156	
Allocated to General Reserve .....	1,350,000		200,000	
		1,350,000		211,156
		3,881,234		3,477,980
<b>Dividends to Members Paid and Proposed—Gross</b>				
Preference .....	155,610		155,610	
Ordinary .....	3,668,120		3,668,120	
		3,823,730		3,823,730
<i>Income Tax deducted and retained</i> .....		—		379,063
		3,823,730		3,444,667
<b>Balance carried forward to next Account</b> .....		£57,504		£33,313



## NOTES ON THE GROUP PROFIT AND LOSS ACCOUNT

### 1. TRADING PROFIT

There has been no change in the basis of valuation of stocks of sugar in the United Kingdom and Canada. In the United Kingdom a base stock of 300,000 tons has been valued at £23 per ton and in Canada 50,000 tons has been valued at £21 per ton.

The market price of raw sugar at 30th September, 1967, was £18 per ton.

The United Molasses Company Limited has changed the basis of valuation of its stocks to bring this more into line with the principles of a base value as applied by the sugar refining companies. The effect of this change has been to reduce the 1967 trading profit by £796,000.

A change by Tate & Lyle Refineries Limited in accounting procedure for the allocation of certain overhead expenses has increased the 1967 trading profit by £237,628.

The 1966 profit includes £218,292 being profit arising from reduction of tonnage of freight at market risk, and also income of £129,007 from short-term deposits previously included in Investment Revenue.

The following items have been charged before arriving at the trading profit:

	1967 £	1966 £
Audit Fee and Expenses .....	£62,501	£59,463
Depreciation of Buildings .....	790,407	765,761
Depreciation of Plant and Machinery .....	2,766,953	2,677,213
Depreciation of Ships, Tugs, Barges and Small Craft .....	1,305,251	1,384,337
Renewal of Plant and Machinery .....	1,774,291	1,724,606
	<u>£6,636,902</u>	<u>£6,551,917</u>

### 2. SUGAR INDUSTRY REHABILITATION FUNDS

Of the total amount claimed during the year under the Sugar Industry Special Funds Ordinances of Jamaica and Trinidad a sum equal to 5 per cent. of the amount claimed during the immediately preceding twenty years has been credited to Profit and Loss Account and the balance has been credited to Capital Reserve.

### 3. INVESTMENT GRANTS

Investment Grants receivable in respect of renewals expenditure have been credited to revenue in full. Grants receivable in respect of capital expenditure are being so credited over a period of fifteen years and the amount shown includes 2/15 of grants in respect of 1966 Capital Expenditure and 1/15 in respect of 1967 Capital Expenditure.

### 4. CHARGE FOR TAXATION

Applicable to the profits of the period:

United Kingdom—Corporation Tax .....	3,252,953	1,224,421
Income Tax .....	3,161	(272,250)
Profits Tax .....	1,019	24,065
Overseas Tax .....	1,900,411	1,157,611
	<u>5,157,544</u>	<u>2,133,847</u>
Add:		
Taxation Equalisation Account including tax deferred by accelerated capital allowances .....	405,870	669,360
	<u>5,563,414</u>	<u>2,803,207</u>
Deductions:		
Amount transferred to Taxation on Stocks; Adjustment Account .....	988,257	(943,890)
Adjustment for change in the rate of tax on the amount provided for Renewals in previous periods .....	82,805	133,519
Tax at current rates on the increase in the provision for Renewals during the year .....	182,971	256,738
Adjustments of taxation in respect of previous periods .....	413,039	120,911
Less: Income Tax on Excess Dividends paid in 1965/66 .....	110,102	—
	<u>302,937</u>	<u>—</u>
	<u>1,556,970</u>	<u>(432,722)</u>
Net amount charged in Profit and Loss Account .....	<u>£4,006,444</u>	<u>£3,235,929</u>
The charge for Corporation Tax would have been greater, but for relief from Double Taxation, by	<u>£452,854</u>	<u>£416,976</u>

### 5. DIVIDENDS TO MEMBERS PAID AND PROPOSED

Preference—net .....	91,420	91,420
Ordinary—net .....	2,155,021	2,155,021
	<u>2,246,441</u>	<u>2,246,441</u>
Income Tax deducted and payable to the Inland Revenue .....	1,577,289	1,198,226
Income Tax deducted and retained .....	—	379,063
	<u>£3,823,730</u>	<u>£3,823,730</u>

### 6. FOREIGN CURRENCIES

These have been converted at the rates ruling at 30th September, 1967.

# TATE & LYLE, LIMITED AND SUBSIDIARY COMPANIES

## BALANCE SHEETS at 30th September, 1967

		1967		1966	
		Tate & Lyle, Limited	Group	Tate & Lyle, Limited	Group
	Notes	£	£	£	£
<b>CAPITAL EMPLOYED:</b>					
ISSUED SHARE CAPITAL OF TATE & LYLE, LIMITED .....	1	39,075,200	39,075,200	39,075,200	39,075,200
CAPITAL RESERVES .....	2	6,401,033	11,136,660	4,587,213	12,877,007
REVENUE RESERVES .....	3	5,807,504	11,482,353	4,433,313	11,130,239
INVESTMENT GRANTS EQUALISATION .....	4	—	999,671	—	—
INTEREST OF OUTSIDE SHAREHOLDERS OF SUBSIDIARY COMPANIES .....		—	10,826,880	—	10,294,652
DEBENTURE STOCKS AND FIXED LOANS .....	5	21,354,268	30,928,361	18,424,451	25,243,079
FUTURE TAXATION .....	6	—	4,929,036	—	4,152,099
		<u>£72,638,005</u>	<u>£109,378,161</u>	<u>£66,520,177</u>	<u>£102,772,276</u>
<b>REPRESENTED BY:</b>					
FIXED ASSETS .....	7	—	95,914,332	—	92,247,823
INTEREST IN SUBSIDIARY COMPANIES .....	8	85,193,442	—	81,104,681	—
INVESTMENTS .....	9	3,800,360	6,873,571	855,579	4,576,247
DEVELOPMENT EXPENDITURE .....	10	—	1,337,510	—	603,805
CURRENT ASSETS .....	11	214,200	63,948,546	80,891	57,740,736
		<u>89,208,002</u>	<u>168,073,959</u>	<u>82,041,151</u>	<u>155,168,611</u>
CURRENT LIABILITIES AND PROVISIONS .....	12	16,569,997	58,695,798	15,520,974	52,396,335
		<u>£72,638,005</u>	<u>£109,378,161</u>	<u>£66,520,177</u>	<u>£102,772,276</u>

*The Notes on pages 15 to 20 form an integral part of these Balance Sheets.*

JOHN O. LYLE *Chairman*

F. H. TATE *Vice-Chairman*



# NOTES TO THE BALANCE SHEETS

## 1. SHARE CAPITAL OF TATE & LYLE, LIMITED

	Authorised in Shares of £1 each £	Issued and Converted into Stock £
6½ per cent. Cumulative Preference.....	2,394,000	2,394,000
Ordinary.....	43,606,000	36,681,200
	<u>£46,000,000</u>	<u>£39,075,200</u>

## 2. CAPITAL RESERVES

	Share Premium Account £	Debenture Stock Sinking Fund £	General £	TOTAL £
<b>TATE &amp; LYLE, LIMITED</b>				
Balances at 30th September, 1966.....	4,544,213		43,000	4,587,213
Arising on revaluation of investments in Subsidiary Companies after providing for the loss and contingent liabilities on termina- tion of Chirundu Sugar Estates Limited.....			1,822,000	1,822,000
Differences on Exchange.....			(8,180)	(8,180)
Balances at 30th September, 1967.....	<u>£4,544,213</u>		<u>£1,856,820</u>	<u>£6,401,033</u>
<b>GROUP</b>				
Balances at 30th September, 1966.....	4,544,213	432,680	7,900,114	12,877,007
Transferred from Profit and Loss Account.....		36,660		36,660
Transferred from General Reserve.....			32,656	32,656
Transferred to Investment Grants Equalisation Account.....			(446,293)	(446,293)
Capital Grants and net surplus on disposal of fixed assets.....			232,998	232,998
Adjustments due to changes in the Group.....			(94,855)	(94,855)
Amount written off Trade Investments.....			(199,725)	(199,725)
Adjustment for loss on termination of Chirundu Sugar Estates Limited including provision for contingent liabilities.....			(1,342,447)	(1,342,447)
Differences on Exchange.....			40,659	40,659
Balances at 30th September, 1967.....	<u>£4,544,213</u>	<u>£469,340</u>	<u>£6,123,107</u>	<u>£11,136,660</u>

## 3. REVENUE RESERVES

	Future Crops Expenditure £	Debenture Stock Redemption £	General £	Profit and Loss Account £	TOTAL £
<b>TATE &amp; LYLE, LIMITED</b>					
Balances at 30th September, 1966.....			4,400,000	33,313	4,433,313
Retained Profit of the year.....			1,350,000	24,191	1,374,191
Balances at 30th September, 1967.....			<u>£5,750,000</u>	<u>£57,504</u>	<u>£5,807,504</u>
<b>GROUP</b>					
Balances at 30th September, 1966.....	1,017,896	226,572	18,012,723	7,073,410	26,330,601
Retained Profit of the year.....			1,410,000	(319,283)	1,090,717
Transferred to Capital Reserve.....			(32,656)		(32,656)
Adjustments due to changes in the Group.....				(212,155)	(212,155)
Additional depreciation arising on sale of two ships at market value to partly owned Sub- sidiary Company.....			(440,000)		(440,000)
Differences on Exchange.....				26,265	26,265
	<u>£1,017,896</u>	<u>£226,572</u>	<u>£18,950,067</u>	<u>£6,568,237</u>	<u>£26,762,772</u>

*Deduct:*

Proportion included in Capital Reserves on Consolidation.....	15,280,419
Balance at 30th September, 1967.....	<u>£11,482,353</u>

## NOTES TO THE BALANCE SHEETS *continued*

### 4. INVESTMENT GRANTS EQUALISATION

	1967 £	1966 £
Transferred from Capital Reserve .....	446,293	
Amount receivable in respect of expenditure during the year .....	1,231,606	
Transferred to Profit and Loss Account .....	(678,228)	
Balance at 30th September, 1967 .....	<u>£999,671</u>	

### 5. DEBENTURE STOCKS AND FIXED LOANS

#### TATE & LYLE, LIMITED

##### SECURED

4½ per cent. First Mortgage Irredeemable Debenture Stock .....	500,000	500,000
4¾ per cent. Debenture Stock 1968/78 .....	2,580,371	2,615,651
5½ per cent. Debenture Stock 1980/85 .....	4,666,162	4,754,500

##### UNSECURED

6¾ per cent. Convertible Loan Stock 1985/90 .....	10,554,300	10,554,300
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<b>FIXED LOAN</b> .....	3,053,435	—
	<u>£21,354,268</u>	<u>£18,424,451</u>

#### SUBSIDIARY COMPANIES

##### SECURED

3¾ per cent. Debenture Stock .....	449,687	492,563
5½ per cent. Debenture Stock .....	2,000,000	2,000,000

##### UNSECURED

5 per cent. Sinking Fund Debentures 1978 .....	1,571,906	1,576,065
--	-----------	-----------

8½ per cent. Guaranteed Convertible Loan Stock 1982/86 ..	3,000,000	
---	-----------	--

<i>Deduct:</i> Held within the Group .....	<u>1,447,500</u>	
	1,552,500	—
<b>FIXED LOAN</b> .....	4,000,000	2,750,000

<b>GROUP TOTAL</b> .....	<u>£30,928,361</u>	<u>£25,243,079</u>
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(a) Redeemable at the Company's option from 1st December, 1968, to 30th November, 1973, at £102 per cent; from 1st December, 1973, to 30th November, 1977, at £101 per cent. and from 1st December, 1977, to 30th November, 1978, at par.

(b) Redeemable at the Company's option from 1st December, 1980, to 30th November, 1985, at par.

(c) Holders have the right exercisable between 15th March and 30th April in either of the years 1968 or 1969 to convert their holding into Ordinary Shares of the Company as to 58 Shares on conversion in 1968 or 55 Shares on conversion in 1969 for every £100 of Stock held. The Company may redeem outstanding Stock at par on 31st December, 1969, provided that by 30th April, 1969, more than 90 per cent. of the Stock has been converted, otherwise the Stock is redeemable at par at any time between 1st January, 1985, and 31st December, 1990.

(d) This represents the Sterling equivalent of a loan of U.S.\$8,500,000 and is repayable on 15th June, 1972, but may be repaid earlier on payment of an additional annual charge. The rate of interest, which is currently 7½ per cent. per annum, is linked to the Euro Dollar rate and is determined annually.

(e) Redeemable at the subsidiary Company's option at £101 per cent. up to 31st December, 1968, and thereafter at par until final redemption on 30th September, 1974.

(f) Repayable by 11 equal annual instalments commencing 31st December, 1967.

(g) Currently redeemable at the subsidiary Company's option at a premium of 2½ per cent. reducing annually until 1976; thereafter redemption is at par.

(h) Holders will be entitled to convert Zambian £50 of every Z£100 Stock held into 200 fully paid Shares of 5s. each during the month of July in each of the years 1971 to 1975 inclusive. The outstanding Stock shall be redeemed in 5 instalments on 31st March in each of the years 1982 to 1986 inclusive, but may be redeemed in whole at any time after 30th March, 1982, in both cases at par.

(i) Repayable by instalments during the period 1st September, 1970, to 1st February, 1971. Interest is at the rate of 8¾ per cent. per annum.

### 6. FUTURE TAXATION

Overseas Tax .....	156,043	109,766
Taxation Equalisation Account, including tax deferred by accelerated capital allowances ..	4,772,993	4,042,333
	<u>£4,929,036</u>	<u>£4,152,099</u>



**NOTES TO THE BALANCE SHEETS *continued***

**7. FIXED ASSETS**

	30th September, 1966 (a) £	Additions £	Disposals £	30th September, 1967 £
<b>LAND AND BUILDINGS</b>				
<b>FREEHOLD</b>				
Cost.....	13,814,580	3,266,808	41,198	17,040,190
1948 Book Value.....	71,859		240	71,619
1956 Valuation.....	321,176		10,906	310,270
1962 Valuation.....	19,072,359		110,441	18,961,918
	<u>£33,279,974</u>	<u>3,266,808</u>	<u>162,785</u>	<u>£36,383,997</u>
<b>LONG LEASE</b>				
Cost.....	1,161,833	274,718	1,971	1,434,580
1962 Valuation.....	678,193		4,050	674,143
	<u>£1,840,026</u>	<u>274,718</u>	<u>6,021</u>	<u>£2,108,723</u>
<b>SHORT LEASE</b>				
Cost.....	297,200	24,356	750	320,806
1962 Valuation.....	256,400			256,400
	<u>£553,600</u>	<u>24,356</u>	<u>750</u>	<u>£577,206</u>
<b>Total Land and Buildings.....</b>	<b>£35,673,600</b>	<b>3,565,882</b>	<b>169,556</b>	<b>£39,069,926</b>
Depreciation.....	3,913,852	792,552(b)	22,852	4,683,552
	<u>£31,759,748</u>			<u>£34,386,374</u>
<b>PLANT AND MACHINERY</b>				
<b>DEPRECIATION BASIS</b>				
Cost.....	31,112,331	6,137,304	652,918	36,596,717
1948 Book Value.....	214,097		6,410	207,687
1956 Valuation.....	407,365		146	407,219
1962 Valuation.....	5,775,665		240,230	5,535,435
	<u>£37,509,458</u>	<u>6,137,304</u>	<u>899,704</u>	<u>£42,747,058</u>
Depreciation.....	15,075,414	2,860,032(b)	560,663	17,374,783
	<u>£22,434,044</u>			<u>£25,372,275</u>
<b>RENEWALS BASIS</b>				
Cost.....	1,934,370	672,857	147,798	2,459,429
Book Value.....	236,472			236,472
1962 Valuation.....	14,299,638		24,909	14,274,729
	<u>£16,470,480</u>	<u>672,857</u>	<u>172,707</u>	<u>£16,970,630</u>
<b>SHIPS, TUGS, BARGES AND SMALL CRAFT</b>				
Cost.....	10,243,339	70,576	32,115	10,281,800
1962 Valuation.....	7,148,667		579,432	6,569,235
1963 Valuation.....	2,981,896		144,500	2,837,396
	<u>£20,373,902</u>	<u>70,576</u>	<u>756,047</u>	<u>£19,688,431</u>
Depreciation.....	5,004,516	1,745,251(c)	304,353	6,445,414
	<u>£15,369,386</u>			<u>£13,243,017</u>
<b>ASSETS UNDER CONSTRUCTION at Cost</b>	<b>£4,375,431</b>	<b>1,360,830</b>		<b>£5,736,261</b>
<b>OTHER ASSETS at Valuation.....</b>	<b>£241,367</b>		<b>35,592</b>	<b>£205,775</b>
<b>TOTAL FIXED ASSETS</b>				
Cost or Valuation.....	£114,644,238	11,807,449	2,033,606	£124,418,081
Depreciation.....	23,993,782	5,397,835	887,868	28,503,749
	<u>£90,650,456</u>			<u>£95,914,332</u>

(a) These figures have been adjusted primarily to meet the requirements of the Companies Act, 1967, but also to take into account differences on exchange between 30th September, 1966 and 1967, and to exclude the assets of Chirundu Sugar Estates Limited which is not included in the 1967 consolidation.

(b) Includes £2,145 and £93,079 respectively which have been charged to Development Expenditure.

(c) Includes £440,000 provided out of General Reserve.

## NOTES TO THE BALANCE SHEETS *continued*

	1967 £	1966 £
<b>8. INTEREST IN SUBSIDIARY COMPANIES</b>		
Shares .....	82,547,769	79,104,691
Amount owing by Subsidiary Companies .....	13,448,588	14,222,832
	95,996,357	93,327,523
Amount owing to Subsidiary Companies .....	10,802,915	12,222,842
	<u>£85,193,442</u>	<u>£81,104,681</u>
<b>9. INVESTMENTS</b>		
<b>TATE &amp; LYLE, LIMITED</b>		
Quoted—Market Value £368,125 (1966, £420,625) .....	540,000	540,000
Unquoted—Directors' Valuation £2,701,583 (1966, £215,579) .....	3,260,360	315,579
	<u>£3,800,360</u>	<u>£855,579</u>
Included above are Trade Investments with a Book Value of £3,587,027 (1966, £641,150)		
<b>GROUP</b>		
Quoted—Market Value £1,567,900 (1966, £1,846,732) .....	1,729,822	1,956,734
Unquoted—Directors' Valuation £4,788,490 (1966, £2,342,782) .....	5,143,749	2,619,513
	<u>£6,873,571</u>	<u>£4,576,247</u>
Included above are Trade Investments with a Book Value of £5,662,386 (1966, £2,956,547)		
<b>10. DEVELOPMENT EXPENDITURE</b>		
Development expenditure will be written off against future earnings over an extended period of years when raw sugar production commences at Nakambala Estate, Zambia.		
<b>11. CURRENT ASSETS</b>		
<b>TATE &amp; LYLE, LIMITED</b>		
Debtors and Prepayments .....	193,304	80,891
Cash at Bank .....	20,896	—
	<u>£214,200</u>	<u>£80,891</u>
<b>GROUP</b>		
Stocks including Net Forward Commitments .....	30,819,580	28,358,900
Taxation on Stocks; Adjustment Account .....	(358,701)	(1,344,278)
Debtors and Prepayments .....	22,604,665	19,250,094
Future Crops Expenditure .....	1,520,471	1,771,385
Short Term Deposits .....	2,273,820	2,311,085
Notes and Bills Receivable .....	5,876,411	6,045,331
Cash at Banks and in Hand .....	1,043,074	1,372,374
Differences on Inter-Company Balances due to varying accounting dates .....	169,226	(24,155)
	<u>£63,948,546</u>	<u>£57,740,736</u>
Less: Current Liabilities (note 12) .....	51,815,572	47,304,667
<b>Net Current Assets</b> .....	<u>£12,132,974</u>	<u>£10,436,069</u>

### STOCKS

#### Raw and Refined Sugar

In the United Kingdom a base stock of 300,000 tons has been valued at a base raw sugar price of £23 per ton, and in Canada 50,000 tons base stock has been valued at £21 per ton. The valuation of the refined sugar element of the base stock includes cost of production. Any excess over these base tonnages is valued at the lower of cost or market price. The market price of raw sugar at 30th September, 1967, was £18 per ton. Stocks held by the raw sugar producing companies are valued at or under cost.

#### Molasses

All stocks are valued at the lower of cost or net realisable value. The cost of Blackstrap molasses is determined by Last in First out method; the cost of other molasses is determined by First in First out method.

#### Other Stocks

Valuation is at or under cost.



# NOTES TO THE BALANCE SHEETS *continued*

## 12. CURRENT LIABILITIES AND PROVISIONS

	1967	1966
	£	£
<b>TATE &amp; LYLE, LIMITED</b>		
Taxation . . . . .	122,644	(235,177)
Bank Loans and Overdrafts . . . . .	12,326,238	12,159,242
Short Term Loans . . . . .	50,000	50,000
Creditors and Accruals . . . . .	716,167	656,761
Proposed Ordinary Dividends—net . . . . .	1,724,016	1,724,016
Income Tax payable on Ordinary Dividends . . . . .	1,210,480	1,166,132
<b>Current Liabilities</b> . . . . .	16,149,545	15,520,974
<b>Provision</b>		
Contingent liabilities on termination of Chirundu Sugar Estates Limited . . . . .	420,452	—
	<u>£16,569,997</u>	<u>£15,520,974</u>
 <b>GROUP</b>		
Taxation . . . . .	2,572,394	665,014
Bank Loans and Overdrafts . . . . .	20,383,878	20,723,785
Short Term Loans . . . . .	164,303	173,633
Bills Payable . . . . .	6,660,592	6,391,000
Creditors and Accruals . . . . .	19,092,585	16,443,509
<b>Proposed Dividends:</b>		
Outside Shareholders of Subsidiary Companies . . . . .	7,324	17,578
Stockholders of Tate & Lyle, Limited : Ordinary—gross . . . . .	2,934,496	2,934,496
<i>Transitional relief under Finance Act, 1965</i> . . . . .	—	(44,348)
<b>Current Liabilities</b> . . . . .	51,815,572	47,304,667
<b>Deferred Liability</b>		
Corporation Tax—payable after 30th September, 1968 . . . . .	3,032,356	1,307,425
<b>Provisions</b>		
Replacement of Plant and Machinery		
Tate & Lyle Refineries Limited—net of tax . . . . .	2,152,074	1,987,330
John Walker & Company (Sugar Refiners) Limited . . . . .	272,196	236,673
These figures represent the excess at 30th September, 1967, of amounts provided out of trading profits for the replacement of Plant and Machinery over the actual expenditure.		
Ships Surveys and Repairs . . . . .	946,729	1,199,925
Contingent liabilities on termination of Chirundu Sugar Estates Limited . . . . .	420,452	—
Pension Schemes . . . . .	56,419	360,315
Following the establishment of a Sugar Workers' Pension Scheme in Trinidad £300,000 of the provision at 30th September, 1966, is included in Current Liabilities in 1967.		
	<u>£58,695,798</u>	<u>£52,396,335</u>

## 13. ASSETS CHARGED BY WAY OF SECURITY FOR LOANS AND OVERDRAFTS

Bank overdraft and loan facilities totalling £588,204 to Rhodesia Sugar Refineries Limited are secured by mortgages over that company's industrial land and buildings and a collateral bond over movable assets. At 30th September, 1967, £340,063 had been advanced.

A loan of £35,003 from the Security Building Society to The Zambia Sugar Company Limited is secured by a first mortgage over certain of the residential property of that company.

## NOTES TO THE BALANCE SHEETS *continued*

### 14. CONTINGENT LIABILITIES

There are Contingent Liabilities in respect of

- (a) Customs Bonds and Guarantees, Bills under Discount, and Guarantees under a scheme for purchase of houses by employees.
- (b) The Guarantee of the principal plus a premium of 1 per cent. and interest on the £5,000,000 5¼ per cent. Debenture Stock of Sugar Line Limited of which £2,000,000 is at present issued.
- (c) The Guarantee of the principal and interest on the Z£3,000,000 8½ per cent. Convertible Unsecured Loan Stock 1982/86 of The Zambia Sugar Company Limited of which Z£1,447,500 is held within the Group.
- (d) Guarantees of bank overdrafts to certain subsidiary companies up to a total of £5,976,000 of which £4,118,388 had been advanced at 30th September, 1967.
- (e) The Guarantee of a loan to a subsidiary company of £4,000,000.
- (f) The Guarantee of a loan to an associated company of £450,000 of which £375,000 had been advanced at 30th September, 1967.
- (g) The uncalled liability totalling £49,900 on certain Investments.

### 15. CONTRACTS FOR CAPITAL EXPENDITURE

	Tate & Lyle, Limited	Group
Contracts for Capital Expenditure for which no provision is made in the Accounts are estimated at . . .	Nil	£8,337,000
Expenditure authorised by the Directors but not contracted for amounted to . . . . .	Nil	£3,411,000

### 16. ACCOUNTS OF SUBSIDIARY COMPANIES

Those companies in the United Kingdom concerned in the refining, distribution and shipping of sugar, and the principal engineering and technical companies have drawn up accounts for a period of fifty-three weeks ended 30th September, 1967. The financial year of all other companies ends on 30th September, except in the case of Caroni Limited whose year ends on 30th June as it is governed by the cane sugar harvest period.

Chirundu Sugar Estates Limited has been excluded from the 1967 consolidation as it has ceased to trade and most of its assets have been sold.

Although during the year the Indonesian Ministry of Trade relinquished its control over a subsidiary in Indonesia, no Accounts of that company are available for consolidation. In the opinion of the Directors, any profits or losses omitted are negligible.

### 17. FOREIGN CURRENCIES

These have been converted at the rates ruling at 30th September, 1967.

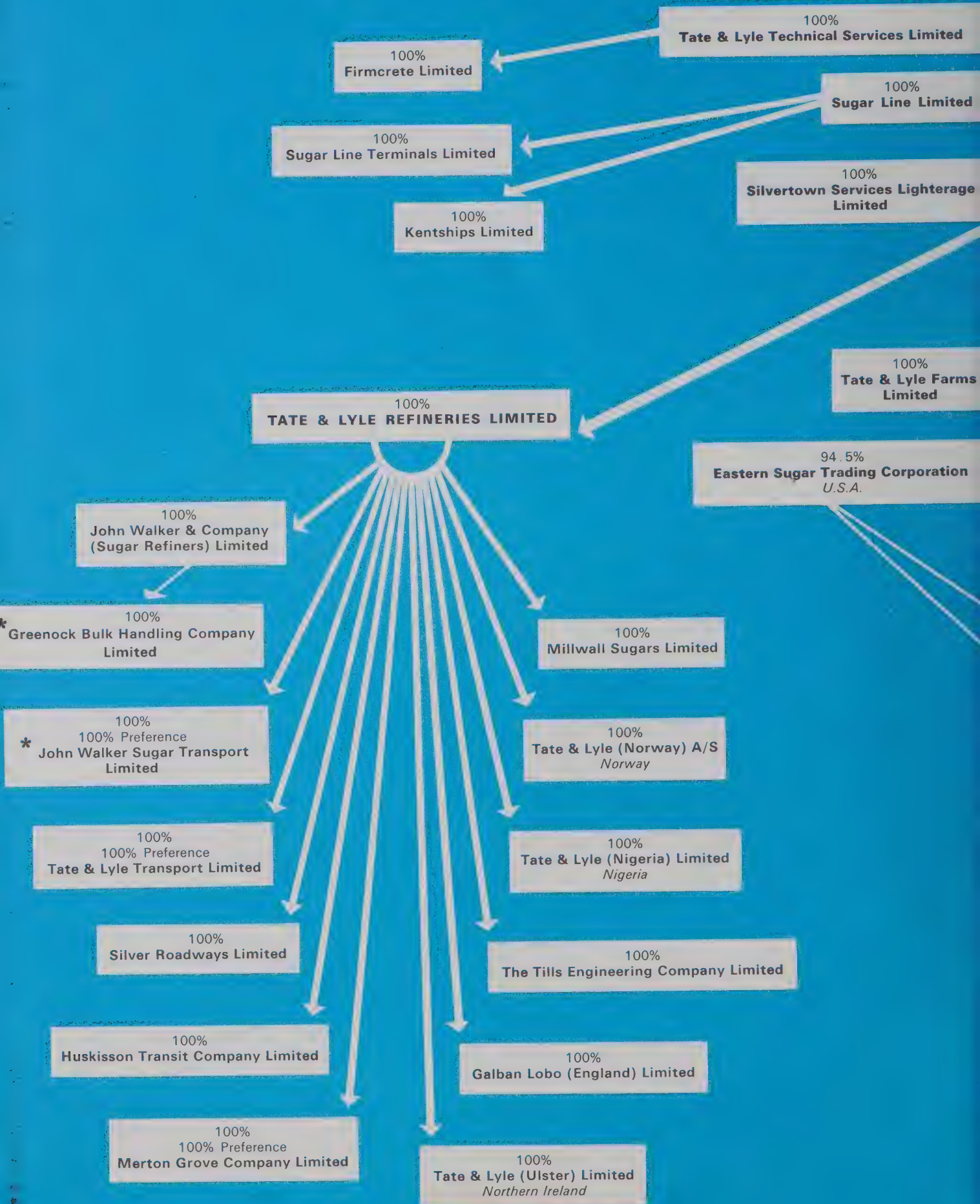


# TATE & LYLE, LIMITED

## GROUP FINANCIAL STATISTICS

(£'000s omitted)

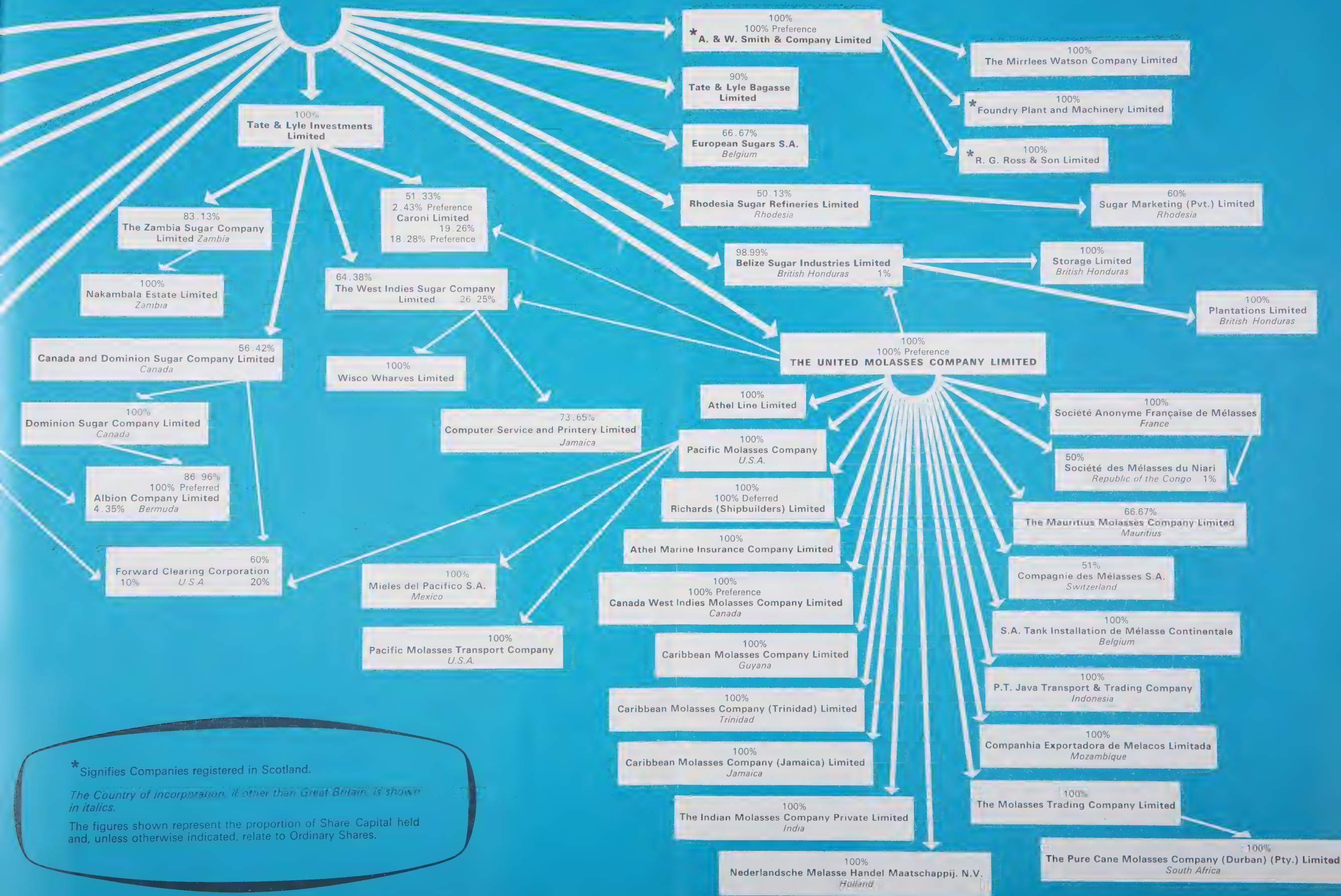
	1961 £	1962 £	1963 £	1964 £	1965 £	1966 £	1967 £
<b>Capital Employed:</b>							
ORDINARY STOCKHOLDERS' FUNDS:							
Issued Capital.....	21,175	21,175	21,175	29,645	36,681	36,681	36,681
Capital Reserves.....	7,165	13,810	14,056	10,660	12,206	12,431	11,137
Revenue Reserves.....	9,663	10,501	12,439	8,872	10,927	11,130	11,482
Investment Grants Equalisation.....	—	—	—	—	—	446	1,000
Total Ordinary Stockholders Funds.....	38,003	45,486	47,670	49,177	59,814	60,688	60,300
ISSUED PREFERENCE CAPITAL.....	1,144	1,144	1,144	1,144	2,394	2,394	2,394
INTEREST OF OUTSIDE SHAREHOLDERS OF SUBSIDIARY COMPANIES.....	9,954	11,709	12,515	13,387	10,023	10,295	10,827
LOAN CAPITAL.....	13,270	14,146	14,067	13,987	23,981	25,243	30,928
FUTURE TAXATION.....	2,954	3,190	7,166	3,351	3,701	4,152	4,929
	£65,325	£75,675	£82,562	£81,046	£99,913	£102,772	£109,378
<b>Represented by:</b>							
FIXED ASSETS.....	54,534	65,960	65,738	68,801	88,674	92,248	95,914
INVESTMENTS.....	2,747	194	513	920	2,567	4,576	6,873
DEVELOPMENT EXPENDITURE.....	—	—	—	—	—	604	1,338
CURRENT ASSETS (less Liabilities and Provisions).....	8,044	9,521	16,311	11,325	8,672	5,344	5,253
	£65,325	£75,675	£82,562	£81,046	£99,913	£102,772	£109,378
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS:							
Retained.....	446	349	667	502	298	170	191
Distributed.....	311	391	591	550	360	309	360
	757	740	1,258	1,052	658	479	551
PROFIT ATTRIBUTABLE TO PARENT COMPANY:							
Retained.....	1,852	1,201	1,961	1,782	1,961	237	1,127
Net Dividends to Stockholders:							
Preference.....	46	46	46	46	68	92	92
Ordinary.....	1,530	1,556	1,790	1,816	2,072	2,155	2,155
Income Tax payable to Inland Revenue....	—	—	—	—	—	1,198	1,577
Net Profit after providing for Taxation.....	£4,185	£3,543	£5,055	£4,696	£4,759	£4,161	£5,502
	%	%	%	%	%	%	%
GROSS ORDINARY DIVIDEND:							
Per cent. of Issued Ordinary Capital.....	11.8	12.0	13.8	10.0	9.6	10.0	10.0
Per cent. of Ordinary Stockholders' Funds..	6.6	5.6	6.1	6.0	5.9	6.0	6.1





# THE TATE & LYLE GROUP

HOLDING COMPANY  
TATE & LYLE, LIMITED





**ASSOCIATED COMPANIES**

		Proportion of Nominal value of issued Share Capital held	
		Directly by Tate & Lyle, Limited	Indirectly through Subsidiary Companies
		%	%
Hippo Valley Estates Limited	<i>Rhodesia</i>	10.00	
The Nigerian Sugar Company Limited	<i>Nigeria</i>	6.67	3.33
Paktank Storage Company Limited			50.00 100.00 Preference
Panelboard Pty. Limited	<i>Australia</i>		50.00
East African Storage Company Limited	<i>Kenya</i>		50.00
The Bagasse Products Company Limited			44.10
Compania de Melazas S.A.	<i>Spain</i>		40.00
Compania Agricola e Industrial del Norte S.A.	<i>Uruguay</i>		23.48
Société des Raffineries et Sucreries Say	<i>France</i>		11.26
Compania Agricola la Franquia S.A.	<i>Uruguay</i>		10.75

The country of incorporation, if other than Great Britain, is shown in italics.

The holdings shown represent Ordinary shares except where indicated.

INVESTMENT IN FRANCE

In May 1966, Tate & Lyle formed a small joint company with the Belgian refiners, Raffinerie Tirlemontoise—sugar associates and friends of long standing. This company was called “European Sugars S.A.” and one of its objects was to examine opportunities for expansion in European sugar affairs. A year later, in May 1967, it was decided to form a new joint company—“European Sugars (France)”. This company was to become the majority partner in a consortium which acquired control of Raffineries et Sucreries Say, the largest sugar producers in France.

At present, to comply with French Ministry of Finance requirements, the controlling interest in European Sugars (France) is held by the Belgian Company. It is the intention that when U.K. enters the Common Market, Tate & Lyle shall acquire by agreement the control of European Sugars (France) and thereby of the consortium and of Say.

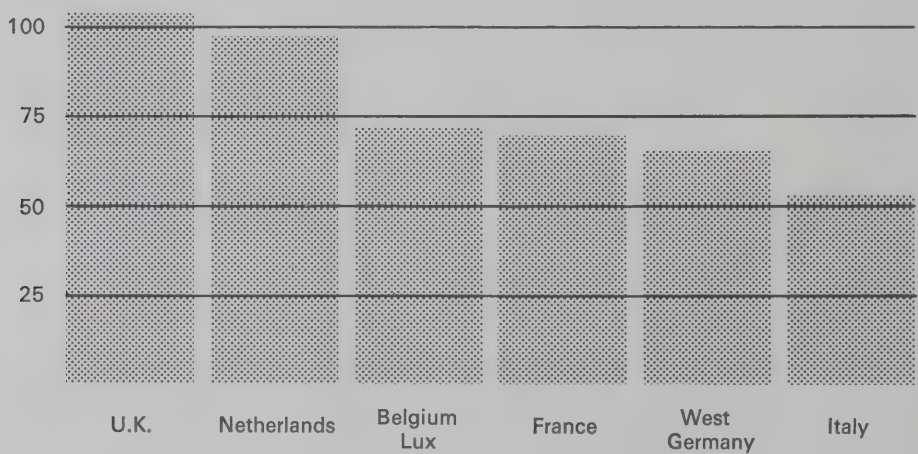
The considerations which led to this investment have been under examination for some time. When, in 1962, Great Britain last made a bid to enter the Common Market, T. & L. welcomed the prospect. Continental markets, until then closed to us, might well open up and we were confident that our costs, our size and our general efficiency would enable us to make headway in conditions of fair and unsubsidised competition.

Since 1962, the E.E.C. has developed rapidly and, in particular, has evolved a Common Agricultural Policy. Within the framework of this Policy, the European Commission, which is the body which “manages” the Community, produced in October 1966, Draft Sugar Regulations. These are of considerable complexity, but briefly summarised, they provide for a series of fixed prices for sugar, sugar beet and products such as molasses which are allied to sugar, together with a system of production quotas and mechanisms designed to protect domestic production within the Community. These Regulations are in a sense a transitional measure and apply in the first instance only until 1974.

Our study of the Regulations and of the situation in Europe showed that in the foreseeable future, not only will the Community consume an increasing amount of sugar per head of population, but also will be net exporters. It is clear too that France, as the lowest cost producer, with large reserves of fertile land and a long history of technical advance in sugar, will be the member of the Six most likely to prosper.

SUGAR CONSUMPTION IN THE SIX AND U.K.

lbs. per head per annum



With the Community as a net exporter of sugar, we had also to consider the long-term future of T. & L.’s export markets and the pressures to which these might be subject. It seemed to your Directors that it was of paramount importance that the Group should be directly involved in sugar production in Europe. An advantage of Europe as a field for investment is that it is an area of low political risk.



LONDON •

• BRUSSELS

MANCHE

Pont-d'Ardres

Abbeville

Dompierre-en-Santerre

St. Just-en-Chaussée

Chevrières

Attigny

Neuilly-St. Front

Paris

Coulommiers

Sermaize

Nantes

OCÉAN  
ATLANTIQUE

Bordeaux

MÉDITERRANÉE

SOCIÉTÉ DES  
RAFFINERIES ET SUCRERIES SAY, SA  
FACTORIES AND REFINERIES



Refinery &  
Factory



Refinery



Sugar Beet  
Factory







DOMPIERRE – BECQUINCOURT

*In this area, close to the River Somme and literally on the battlefields of the First World War, sugar beet has been cultivated since the days of Napoleon. Rows of beet after topping and lifting are being loaded for transport to the factory nearby.*

*The majority of French beet is grown in the sector to the north and east of Paris.*

In these circumstances, your Directors took the view that the Group should invest in the production of sugar within the Community, and specifically in France.

It seemed wise to broaden the basis of participation by inviting other European partners, and, particularly, a French sugar partner to join us, and together with Tirlmont, we discussed the question with a French sugar company (Société F. Beghin), an Italian company (Eridania Zuccherifici Nazionali), and a German company (Suddeutsche Zucker A.G.).

Beghin is a company of approximately the same size as Say, which has come into prominence particularly since the end of the First World War. It has, in addition to sugar, considerable interests in paper production and possesses one of the largest paper mills in Europe.

Eridania produces about 450,000 tons of sugar a year with 29 factories. It is the largest single Italian producer.

Suddeutsche Zucker produces about 600,000 tons of sugar in 10 factories, all situated in Bavaria. It has grown over the last 15 years and is the largest single group in Germany. Suddeutsche have expressed an interest in joining the Consortium, but only to the extent of a modest investment.

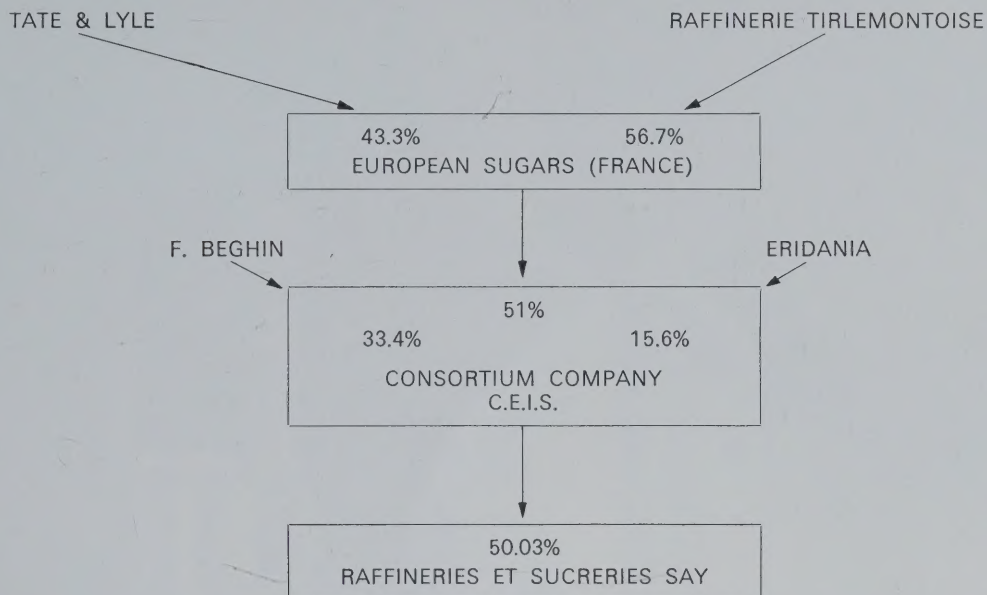
We had already examined very closely the possibilities of investing in France, and decided that the most suitable opportunity would be Say, whose 2 million shares were very widely held and which had no dominant shareholders.

The company's assets consist of 10 beet factories, situated on a semi-circle which stretches from near Calais in the north, round to the Ardennes. This spread of factories enables a poor crop in one area to be offset by better crops elsewhere if this should occur. Production represents approximately 15% of the total of French production. Three of the factories belong to subsidiary companies in which Say has the controlling interest.

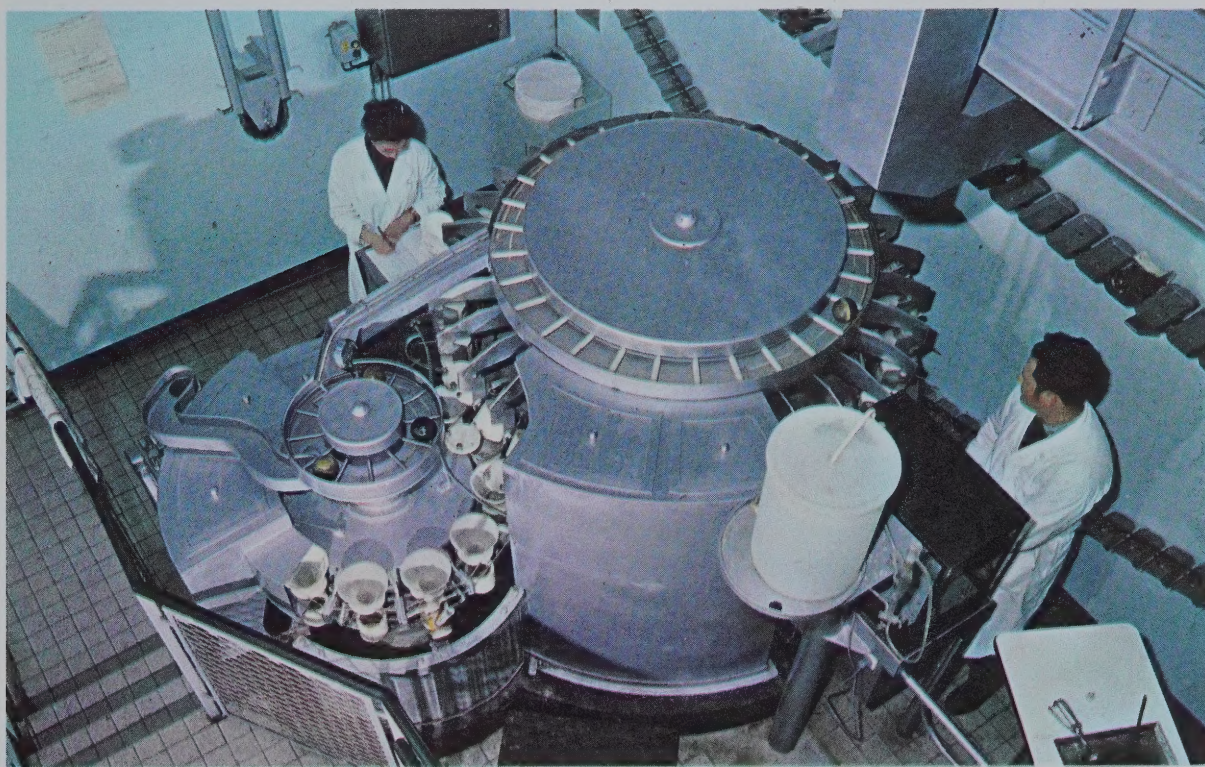
Say also owns four refineries—one at Nantes and one at Bordeaux, both of which refine cane sugar from French Overseas Departments; one in Paris and one at Sermaize, south-east of Châlons-sur-Marne, mainly refining raw beet sugars. Total production is of the order of 400,000 tons a year.



Together with our partners, we made a bid (" offre publique d'achat ") for a controlling interest of Say, in April, and by the end of May, had acquired just over 50% of the shares. The chain of ownership can be shown thus:—



At the present moment, T. & L.'s investment gives the Group an 11% holding in Say, acquired at a cost of just over £3 million, but European Sugars (France) has control of the Consortium, C.E.I.S. (Compagnie Européenne d'Industrie Sucrière) which in turn controls Say.

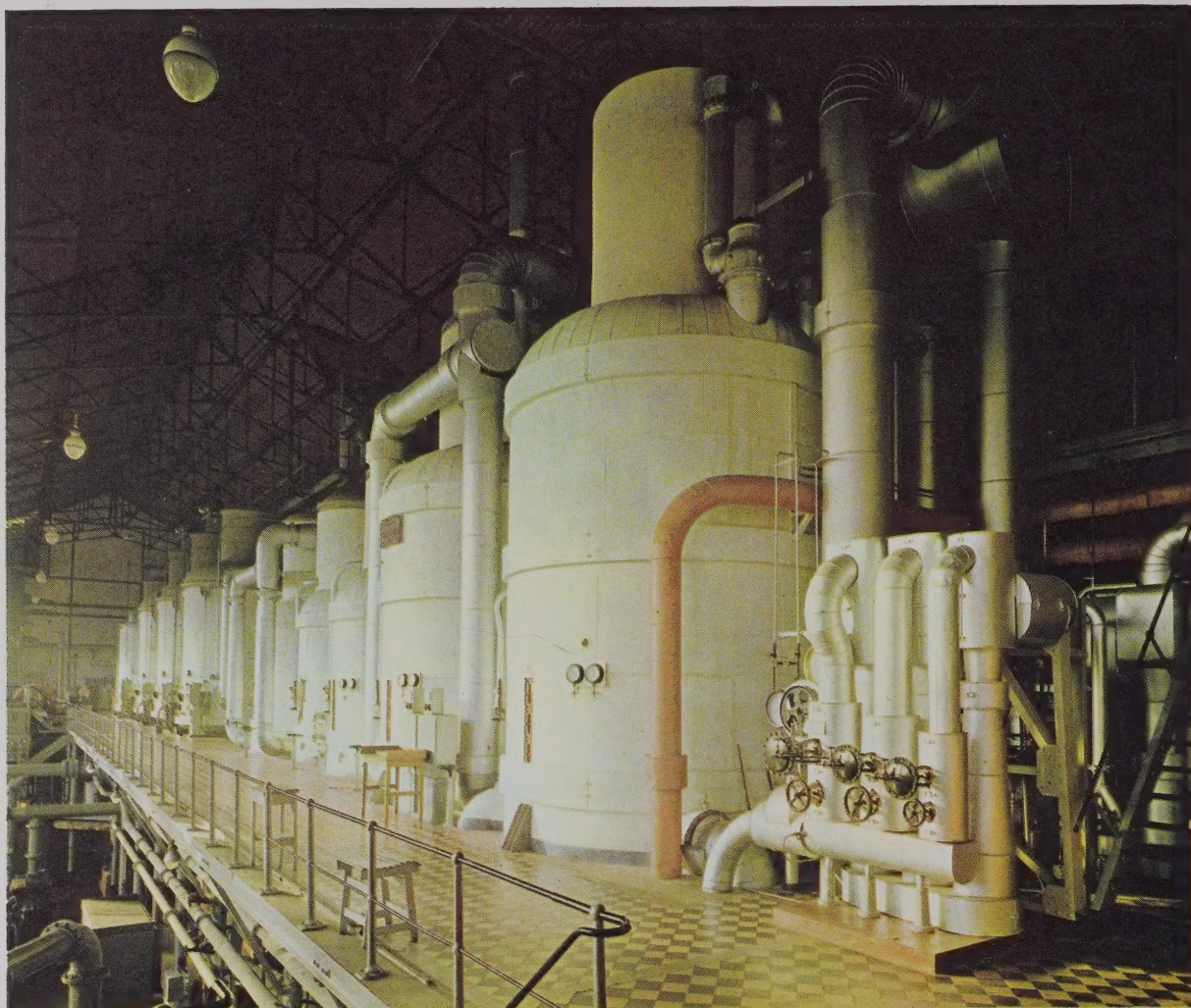


ST. JUST-EN-CHAUSSEE

#### SAMPLING AND ANALYSIS

The beet grower is paid for his product on the basis of the sugar content of his beet. Thus there is need for a continuous quick analysis of the beet by methods acceptable to buyer and seller. After shredding and thorough mixing of the samples, a rapid determination of sugar content is produced by this automatic installation.





DOMPIERRE-BECQUINCOURT

#### EVAPORATION

*Someone once said 'evaporation is the key to the economy'. He was speaking of a sugar refinery yet he might have said it with as much force of a beet factory.*

*After the cleaned beet has been sliced into cossettes, the sugar content is washed out in a continuous diffusion process. Water comes into contact with the cossettes in such a way that the fresh water meets the most exhausted slices. Sugar diffuses through cells in the beet by the process of osmosis and so the water becomes more and more concentrated with sugar.*

*Various purifying operations follow, but before sugar crystals can be produced, enormous quantities of water must be driven off; this picture of the evaporator station at Dompierre gives an impression of the size and importance of this stage.*

Study of the Community Sugar Regulations shows that the entry of U.K. into E.E.C. will give rise to problems concerning Britain's supply of raw sugar from the Commonwealth. These problems are also being studied by governments in the U.K. and in the Commonwealth countries, and we believe that they are capable of solution. Moreover, we are sure that the authorities in the Community are aware of them and are sympathetic in their approach.

The take-over bid was something of a novelty in several respects. It was only about the fifth in the history of French industry, and it was the first in French sugar. It was the first in which a European consortium was involved. The French Government particularly welcomed the European aspect of the bid and gave it their encouragement.

When Great Britain joins the E.E.C., Tate & Lyle will have a significant stake in the largest sugar company in the country of Europe's greatest sugar potential, and even if Britain's entry is delayed for a period, we as a company have a foothold in Europe.







